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1991/12/31

ACTION

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ACTION: PK (01)

INFO: NEA (02) RA (01) MIL (01) SE (01) IN (02)
31/1252 AS US TOTAL COPIES: 007)
ACTION NEA-00

INFO LOG-00 ACDA-13 AMAD-01 CCA-01 CEC-01 "IAE-0" COME-PP
C-01 DODE-00 DOEE-00 DPR-01 EAP-00 EB-00 EUR-00
E-01 H-01 INRE-00 INR-01 10-19 L-00 ADS-00
NRC-02 NSAE-00 NSCE-00 OES-09 OIC-02 PA-01 PM-00
PRS-01 SHP-00 SP-00 SS-00 STR-20 TRSE-00 T-01
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P 310824Z DEC 91
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC PRIORITY 2798
INFO AMCONSUL LAHORE
AMCONSUL KARACHI
AMCONSUL PESHAWAR
AMEMBASSY NEW DELHI
AMEMBASSY BEIJING
AMEMBASSY LONDON
USIA WASHDC 4844

CONFIDENTIAL ISLAMABAD 19576

LONDON FOR POL JOHNSON

USIA FOR NEA - RUGH

E.O. 12356: DECL: OADR
TAGS: MNUC, PREL, KNMP, CH, PK
SUBJECT: PAK-CHINESE NUCLEAR COOPERATION:

SALE OF A PRC NUCLEAR POWER PLANT?

REFS: A) 89 ISLAMABAD 25421; B) 89 ISLAMABAD 25901;
C) 91 ISLAMABAD 12710; D) 91 ISLAMABAD 16751; E) 91
BEIJING 40686;

1. (U) SUMMARY: THE FRONTIER POST REPORTED ON DEC.
28 THAT A GOP DELEGATION WAS IN BEIJING TO FORMALIZE
THE PRC'S SALE TO PAKISTAN OF A 300-MEGAWATT NUCLEAR
POWER PLANT. A FINANCE AGREEMENT HAS REPORTEDLY BEEN
REACHED, AND THE NEW PLANT IS SAID TO BE SUBJECT TO
IAEA SAFEGUARDS.

END SUMMARY.

2. (U) THE ENGLISH-LANGUAGE DAILY FRONTIER POST GAVE
FRONT-PAGE COVERAGE DEC. 28 TO A REPORT THAT THE
CHINESE GOVERNMENT HAS AGREED TO SELL PAKISTAN A
300-MEGAWATT NUCLEAR POWER PLANT. ACCORDING TO THE
REPORT, PAK ATOMIC ENERGY COMMISSION CHAIRMAN ISHFAQ
AHMAD WAS CURRENTLY IN BEIJING TO SIGN THE AGREEMENT
FOR THE SALE OF THE REACTOR. THE POST ARTICLE QUOTED
AN ANONYMOUS SOURCE AS SAYING "THIS IS GOING TO BE
CHINA'S NEW YEAR PRESENT TO PAKISTAN." THE PLANT,
MODELLED ON THE RECENTLY COMPLETED 300-MEGAWATT
QINSHAN POWER STATION, WILL BE BUILT AT CRASHMA (NEAR
MIANWALI IN THE PUNJABI ON THE INDUS RIVER AND WILL
TAKE SIX YEARS TO COMPLETE. CHINA WILL ALSO
REPORTEDLY SUPPLY OVER 200 TONS OF ENRICHED URANIUM

TO FUEL THE PLANT, ALTHOUGH THE LEVEL OF ENRICHMENT
WAS NOT INDICATED. NOTE: CRASHMA WAS THE DESIGNATED
SITE FOR THE NUCLEAR REPROCESSING PLANT WHICH THE
FRENCH CONTRACTED TO BUILD IN THE EARLY 70S. THE

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FRENCH EVENTUALLY RENEGED ON THE DEAL AS A RESULT OF
INFORMATION THE U.S. PROVIDED ABOUT PAK NUCLEAR
INTENTIONS. (END NOTE.)

3. (U) ACCORDING TO THE FRONTIER POST, THE
FINANCIAL AND TECHNICAL DETAILS OF THE PURCHASE HAD
BEEN FINALIZED DURING PRESIDENT ZIA'S VISIT TO
BEIJING LAST YEAR. THE CHINESE WERE SAID TO BE READY
TO GIVE "A SUPPLIER'S I.E. SHORT-TERM CREDIT" TO
FINANCE THE USD 500 MILLION FOREIGN EXCHANGE
COMPONENT OF THE SALE.

5. (U) NOTING THAT THE SALE OF THE PLANT
REPRESENTED CHINA'S FIRST EXPORT OF A NUCLEAR POWER
PLANT, THE POST ARTICLE STATED THAT THE PLANT WOULD
BE COVERED BY IAEA SAFEGUARDS BECAUSE, ALTHOUGH CHINA

HAD NOT YET SIGNED THE NPT, "CHINA FULLY ADHERES TO
IAEA LAWS." WHILE OBSERVING THAT THE CHINESE
PARLIAMENT WAS CURRENTLY DEBATING WHETHER TO SIGN THE
NPT (REF D), THE ARTICLE CLAIMED THAT THE SAFEGUARDED
STATUS OF THE POWER PLANT WOULD REMAIN UNCHANGED.

6. (U) THE FRONTIER POST STORY ALLEGES THAT IT WAS
LI PENG'S OFFER OF A NUCLEAR PLANT IN 1989 WHICH HAD
PROMPTED THE FRENCH TO FOLLOW SUIT WITH AN OFFER OF A
900-MEGAWATT REACTOR. ACCORDING TO THE NEWSPAPER,
HOWEVER, MEMBERS OF THE PAK NUCLEAR ESTABLISHMENT ARE
NOW NO LONGER EXCITED BY THE FRENCH OFFER AND ARE
QUOTED AS SAYING "OUR HANDS ARE GOING TO BE FULL:
ONE AT A TIME IS A BETTER SCIENTIFIC PROPOSAL."

NOTE: THE GOP AND THE GOP HAVE BEEN NEGOTIATING THE
SALE OF A POWER PLANT FOR MORE THAN A DECADE. (END
NOTE.)

7. (U) THIS PRESS REPORT FOLLOWS ON THE HEELS OF
THE DEC 21-24 VISIT TO PAKISTAN OF MADAME RU QINENG,
THE VICE-PRESIDENT OF THE CHINESE ACADEMY OF
SCIENCES. DURING HER VISIT, RU REPORTEDLY WORKED OUT
AN AGREEMENT WITH THE PAKISTAN ATOMIC ENERGY
COMMISSION (PAEC) FOR COOPERATION IN THE FIELD OF
NUCLEAR ENERGY.

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